

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
AT LAW AND IN ADMIRALTY**

UNITED STATES OF AMERICA,

Plaintiff,

vs.

Case No. 17-CV-1770

APPROXIMATELY \$1,349,496.00 IN
UNITED STATES CURRENCY FROM UBS
ACCOUNT ENDING IN 0703, and

APPROXIMATELY \$879,740.02 IN UNITED
STATES CURRENCY FROM UBS
ACCOUNT ENDING IN 0589,

Defendants.

AFFIDAVIT OF STEVE STEWART

STATE OF UTAH §
 §
COUNTY OF SALT LAKE §

Steve Stewart, upon my oath, deposes and says:

1. I am an Executive Director and the Chief Credit Officer of UBS Bank USA ("UBS Bank"). I have personal knowledge of the facts stated herein and am authorized to make this Affidavit. I am submitting this Affidavit in support of the accompanying motion for summary judgment by UBS Bank and UBS Financial Services Inc. ("UBS Financial Services"). (UBS Bank and UBS Financial Services are collectively referred to herein as "UBS".)

2. UBS Financial Services is a brokerage firm incorporated in Delaware with a principal place of business in Weehawken, New Jersey.

3. UBS Bank is a federally regulated, Utah industrial bank based in Salt Lake City, Utah that, among other things, provides credit and loans to certain customers of UBS Financial Services.

4. Sonag Company, Inc. (“Sonag”) has maintained certain brokerage accounts at UBS Financial Services, including, but not limited to, Account Nos. ending 0703 and 0589 (collectively, the “UBS Collateral Accounts”).

5. On or about January 22, 2015, UBS Bank extended a line of credit to Sonag.

6. Attached hereto as **Exhibit A** is a true and accurate copy of the Borrower Agreement and Credit Line Agreement (the “Credit Line Agreement”) between UBS Bank and Sonag.

7. Attached hereto as **Exhibit B** is a true and accurate copy of the Master Account Control Agreement between UBS Bank and UBS Financial Services.

8. Any credit advances that UBS Bank makes to Sonag under the Credit Line Agreement accrue standard interest (“Standard Interest”) at a variable interest rate equal to the 30-day London Interbank Offer Rate (LIBOR) rate, plus 2.25%.

9. Since the line of credit was established, UBS Bank has made credit advances to Sonag that remain unpaid in the total principal amount of \$300,000.00. These principal advances totaling \$300,000 are reflected in the December 2017 monthly account statement for Sonag’s loan account, a true and accurate copy of which is attached hereto as **Exhibit C**.

10. Interest has accrued, and continues to accrue, on Sonag’s outstanding credit line balance as set forth in the Credit Line Agreement.

11. Attached hereto as **Exhibit D** is a true and accurate copy of the November 2017 monthly account statements for UBS Account No. ending 0703.

12. Attached hereto as **Exhibit E** is a true and accurate copy of the November 2017 monthly account statement for UBS Account No. ending 0589.

13. Sonag has defaulted under the terms of the Credit Line Agreement and any and all outstanding amounts owed by Sonag to UBS Bank under the Credit Line Agreement are accelerated and due and payable in full.

14. For purposes of the instant summary judgment motion only, UBS has calculated Sonag's outstanding loan balance at \$308,090.05 (as of July 24, 2018) based solely on Standard Interest and without including any of the default interest or its attorneys' fees and costs that UBS is entitled to recover under the express terms of the Credit Line Agreement. This outstanding loan balance of \$308,090.05 (as of July 24, 2018) consists of \$300,000 in principal and \$8,090.05 in accrued Standard Interest.

15. Attached hereto as **Exhibit F** is a true and accurate copy of the calculation of the Standard Interest that has accrued through July 24, 2018 under UBS Bank's credit line to Sonag. Standard Interest continues to accrue at a per diem of \$37.02.

16. In the event that UBS Bank's motion for summary judgment is denied and UBS Bank's outstanding loan is not repaid at this time, UBS Bank is reserving its right to seek recovery of all default interest and attorneys' fees and costs to which it is entitled under the Credit Line Agreement.

17. UBS did not know of the alleged wrongdoing by Sonag and/or its principals giving rise to forfeiture, and was reasonably without cause to believe that the UBS Collateral

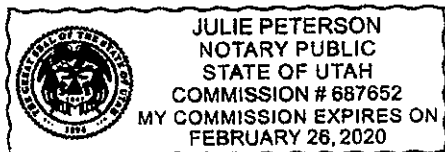
Accounts were subject to forfeiture, at the time that UBS Bank extended the credit line and any corresponding credit to Sonag and received its security interest and lien in the UBS Collateral Accounts.

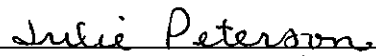
18. Had UBS had any reason to suspect that the UBS Collateral Accounts could be subject to forfeiture, or that Sonag and/or its principals allegedly were engaged in illegal activities, UBS Bank would not have extended the subject loan to Sonag.

I state under penalty of perjury that this affidavit is true and correct to the best of my knowledge.


STEVE STEWART

SUBSCRIBED AND SWORN TO BEFORE ME, under penalties of perjury by said Steve Stewart on this the 27th day of July, 2018, to certify which witness my hand and seal of office.




NOTARY PUBLIC, State of Utah

My Commission Expires: 2 · 26 · 2020

4824-9741-5278, v. 1